

Non-market strategy as a framework for exploring commercial involvement in health policy: a primer

Elizabeth Eastmure – London School of Hygiene and Tropical Medicine

Steven Cummins – London School of Hygiene and Tropical Medicine

Leigh Sparks – University of Stirling

Corresponding author:

Elizabeth Eastmure

London School of Hygiene and Tropical Medicine

15-17 Tavistock Place

London

WC1H 9SH

United Kingdom

(Elizabeth.eastmure@lshtm.ac.uk)

Abstract

This paper outlines the role of non-market strategy and its relevance to public health. Three broad categories of non-market activity are described: corporate political activity, Corporate Social Responsibility (CSR) and legal activity, with examples relevant to public health. The importance to public health researchers of considering business activity through a non-market lens has been outlined. Using a non-market strategy perspective can assist with understanding the commercial determinants of health and analysing the writing of the 'rules of the game'.

Highlights

- Businesses use non-market strategies to influence public health policy
- Non-market strategy can include political, social responsibility and legal activity
- Non-market strategy can enhance understanding of commercial determinants of health
- Analysis of non-market strategies can be undertaken with publicly available data

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Keywords: non-market strategy; public health, commercial interests; health policy

Abstract

This paper outlines the role of non-market strategy and its relevance to public health. Three broad categories of non-market activity are described: corporate political activity, Corporate Social Responsibility (CSR) and legal activity, with examples relevant to public health. The importance to public health researchers of considering business activity through a non-market lens has been outlined. Using a non-market strategy perspective can assist with understanding the commercial determinants of health and analysing the writing of the ‘rules of the game’.

14 Introduction

15 There is a long history of research exploring how the behaviour of corporate commercial
16 actors shapes public health, for example, uncovering the influence of the tobacco, alcohol and
17 food industries on the development and implementation of public health policy (1-3). While
18 research on the ‘commercial determinants of health’ has typically explored the specific
19 actions of individual businesses or industries, approaches exploring the broader strategies of
20 industry engagement with public policy have also been developed (1, 4). Such approaches
21 are insightful and have yielded important new knowledge in this area, particularly within
22 tobacco policy. However, current understandings of the specific actions, motivations and
23 activities of single businesses and industries could potentially be enhanced by engaging with
24 an analytical lens from the business literature that recasts these specific individual
25 commercial and industry behaviours as a broader set of industry-wide general strategies
26 whose overarching goal is to protect commercial interests(5). Within the business literature
27 the activities of corporate commercial actors are often conceptualised as an organised and
28 connected set of explicit actions known as ‘non-market strategy’. Development of a non-
29 market strategy is primarily located in and driven by commercial objectives. An appreciation
30 of corporate non-market strategy in a non-corporate setting can extend analyses of
31 commercial influences by offering a view from the perspective of the business or industry
32 itself – sometimes referred to as an ‘inside-out perspective’(6). Understanding commercial
33 non-market strategy in the setting of public health may help public health researchers and
34 policy-makers better identify, understand, and predict the actions of businesses and
35 industries, and their likely impacts on public health; and thus contribute to the development
36 of more effective public health policy.

This paper draws on the business literature to provide a primer on how non-market strategy approaches are developed, and identifies examples of implementation of non-market strategies that are relevant to public health.

What is non-market strategy?

Businesses operate in the ‘market’ through the development and maintenance of a range of products and services, supported by activities including advertising, promotion, and pricing, with the primary goal of making a profit. However, the ‘market’ does not exist in a vacuum and is not a neutral entity, being constricted and influenced by political, cultural and social forces, collectively referred to as the ‘non-market’(7, 8). This too requires development and maintenance by the business.

The market and non-market environments are sufficiently different that businesses may develop separate strategies to engage with both(7, 8). A non-market strategy is a deliberate group of actions addressing political, cultural and social issues in the non-market environment, with the ultimate purpose of improving the overall perceptions, operational ability, and performance of the business, thus creating additional value(9). For example, a non-market strategy might be developed to create market opportunities, defend against criticism, influence government policy and reduce legislative threats(8, 10). Non-market strategy recognises that issues in the non-market environment affect the profitability of a business, and that these issues can be managed strategically(7, 11). Thus market strategies position a business in the market place, whereas non-market strategies shape the market place, for example through affecting regulation or public opinion. Both strategies operate in a complementary way, and often simultaneously, in order to maintain and improve a

company's market position. While the 'rules of the game' are perhaps a given in the market, use of non-market strategy is about 'writing the rules of the game'(8).

Components of non-market strategy

Non-market strategy activities may include corporate political activity to access and influence politicians and regulators; Corporate Social Responsibility (CSR) initiatives to maintain or enhance the reputation of the business; and legal actions to maximise the competitive opportunities of the business. In practice, these three categories of activities are intertwined (12). For example, the line between corporate political activity and CSR is becoming increasingly blurred, with codes of practice, industry standards and voluntary agreements encapsulated within CSR programmes, as an alternative to regulation(13); these are then used as marketing tools. The three broad categories of non-market strategy activities are described in Table 1.

Using 'non-market strategy' as a conceptual lens may help public health researchers identify and understand the deliberate actions and strategies undertaken by individual business organisations and the wider industry, that are relevant to public health issues. We describe each of the three categories of a non-market strategy below.

Corporate Political Activity

While the primary focus of a business strategy is to increase sales to customers, a business will also be alert to the impact of government activity(14), and develop strategies for management of issues as they are proposed or arise. Government interventions in markets

may include the introduction of taxes, subsidies, regulation, trading schemes, and information campaigns that in turn may affect sales to customers(15).

Businesses may choose to comply with the policy or regulations, or free-ride on the non-market actions of other businesses; or they may seek to influence or restrict policy introduction directly through corporate political activity(16, 17). Corporate political activity is defined as any deliberate action intended to directly or indirectly influence government policy or process(18). Activity is typically aimed at government departments and stakeholders relevant to government; may be legal and ethical or not; and may include competitors, governments, interest groups and others(16). Organizations that are able to gain access to politicians or senior officials may be able to influence outcomes, and may have reduced uncertainty in their operating environment (through enhanced or privileged access to information)(14, 19). Access to government provides opportunity for businesses to provide policy makers with specific information about their preferences on specific issues in order to shape regulation or legislation, and may enable businesses to secure changes in public policy (or even maintain the status quo)(20). Businesses with privileged access to information about regulations, policies and emerging policy issues are better able to anticipate and/or shape future regulations and adjust their market strategies accordingly(19). It is widely accepted that businesses can influence policy processes to shape and control their competitive environment(18).

Businesses may adopt a range of corporate political activities that allow for organisational advocacy, including the establishment and maintenance of direct ties to politicians and senior officials(21). Examples of corporate political activities include lobbying, petitions, funding of research, provision of information, financial contributions (including campaign funding),

development of personal long-term relationships with senior officials and politicians,
revolving doors between the public and private sectors, and bribery and corruption(16, 21).
Businesses may also adopt strategies that include self-regulation, public advertising
campaigns, and mobilization of grassroots campaigns in order to influence policy(22).
Strategies to manage information and the business' reputation; and the formation of coalitions
with allies that seek similar policy outcomes, including allies beyond their business-related
groups, may also be used to support corporate political activity(22). For example, corporate
political activities used by the alcohol industry in the UK include misrepresentation of
scientific evidence(23), corporate lobbying (primarily through direct and long-term
relationships with policymakers)(24) and media campaigns(24). Similarly, corporate political
activity used by the Australian alcohol industry in response to the requirement for health
warnings on labels included lobbying, financial contributions to political parties, pre-emptive
introduction of voluntary, but lesser, labelling initiatives, and questioning of the evidence
base for health warnings(25).

Implementation of corporate political activity

Design and implementation of the political component of non-market strategy is undertaken
at a high level within businesses(19), with directors responsible for external affairs likely to
be at the core of the design of the political strategy(26). The individual responsible for
external affairs is likely to be embedded in a network of relationships across trade
associations and lobbying companies. Along with members of the Board of Directors they
would seek to form links with individuals in regulatory bodies, government departments, and
politicians(17).

Lobbying requires a set of specific and identifiable processes to leverage political resources(26). Businesses may adopt an internal approach to lobbying, using in-house expertise, and/or may use trade associations and contract lobbyists(26). The design of the lobbying requires focussed management effort on how to affect public policy, for example which politicians to target and when, which network relationships to invest in and when(27), and whether to adopt a public or more behind-the-scenes approach(28). Within a business, the Board of Directors is likely to provide access to resources to support political actions, and access to information and opportunities. The Board will also make decisions on, for example, the individuals that will be targets for relationships for each of the executives(26). Each lobbying activity is likely to require concerted effort from the highest levels of the business. For example, Wal-Mart had the President and CEO of its International Division attend a meeting with then UK Prime Minister, Tony Blair, and others, arranged by the Liberal Democrat peer Lord Jacobs, at which the potential for Wal-Mart to enter the UK was discussed(28).

Businesses that join networks, or enter into simple direct relationships with political actors, often coordinate their political activities (for example, campaign funding, direct lobbying and working with a trade association); they often integrate this political activity with the rest of their non-market strategy (for example, an industry-wide corporate social responsibility initiative or legal action); and the market and non-market strategies are likely to be designed to fit together(17). The circumstances, relationships and interactions are dynamic(17). Multi-national enterprises are faced with even greater complexity, as they are likely to be politically active in a number of political arenas simultaneously(16, 17, 29).

Influencers and drivers of corporate political activity

Corporate political activity can be affected by the organisational characteristics of the business, features of the markets and industries in which they operate, and aspects of the policy environment(17). Organisational characteristics that may affect political activity may include ownership structure(26), the history of the business(30), the power of the business(18), and its relationship with shareholders(31). The nature of the relationships of employees with national and local politicians and officials, legal counsel and interest groups will also influence the business' approach to political activity(26). Frequently changing rules and lack of enforcement are also conducive to corporate political action, with firms taking more political action in less stable political environments(18). In addition, businesses have more incentive to become politically active when an industry is highly regulated (18). For example, tobacco industry efforts to influence marketing regulations have included lobbying and the provision or manipulation of evidence, constituency building to give the impression of wide support, proposing alternative policies, use of the legal system, and offering direct or indirect financial incentives(1).

Constituency building

Businesses may seek to create and maintain multi-stakeholder networks to support political activity(32) forming alliances with their competitors, suppliers, trade associations, trades unions, and also with academics, the media and NGOs. An effective stakeholder network will populate the information environment with a variety of messages, consistent with the interests of the business(3). Components may also include so-called 'astroturf' organisations, which appear to be genuine grassroots citizen groups, but have in fact been established by the business (or industry) for particular policy purposes(3); and 'bear-hug' arrangements, which involve paying a group to change its lobbying activity and to lobby on their behalf(33). For example, industry funded The Center for Consumer Freedom promotes personal

responsibility and consumer choice(34); and The Obesity Awareness and Solutions Trust caused a parliamentary inquiry into obesity in the United Kingdom, while failing to declare financial links to the weight-loss industry(35).

University-based researchers and the media can be important vehicles for connecting with popular opinion. Businesses may commission and report their own research; and seek to influence the media directly, for example through media ownership, advertising (and the threat of withdrawal of spend), public relations and spin(3). Astroturf and other business-funded organisations may be particularly effective with the media, able to attack critics of businesses while appearing to be independent(3). For example, the TaxPayers' Alliance, which does not provide details of its funding but has right-wing political and business ties(36), has campaigned against the "sugar tax" and other health initiatives in the UK(37). While astroturf organisations may amplify ideas, think tanks seed new policy ideas (38). Presenting themselves as independent organisations that contribute to policy through conducting research and developing ideas, industry actors can provide important sources of funding that may call their independence into question. For example, Demos was engaged by SABMiller to produce reports on alcohol consumption, which were heavily promoted among policy makers at crucial moments during the development of the Government's alcohol strategy(39), and the Institute of Economic Affairs, which has received funding from the tobacco industry, publicly lobbies against the plain packaging of cigarettes(40).

Industry activities undertaken to influence policy are likely to be undertaken in secrecy and data that might shed light on such activity would be deemed commercially sensitive and unlikely to be available. However, a corporate political activity lens can be usefully applied to some forms of publicly available data (for example, news articles and trade press(41); industry websites and reports(42), social media accounts(43), and submissions to public

consultations(23); and annual returns of political parties, websites of government departments and agencies(44), minutes of meetings, and Freedom of Information requests(28). Use of these forms of public data with such a lens may offer the opportunity to identify, describe and analyse corporate actions through the aggregate analysis of these sources(4, 45, 46).
Aggregate analysis moves beyond the analysis of specific individual tactics, to identify broader patterns of individual actions that operate synergistically, linked actions across corporations, other industry-supporting organisations and sectors, and broader sector strategy.

Corporate Social Responsibility

The second broad category of ‘non-market strategy’ action is Corporate Social Responsibility (CSR). The CSR movement can be traced back to the employee wellbeing initiatives of large private companies during and after the Industrial Revolution of the 1880s. More recently, social and environmental movements, initially emerging during the 1970s and 1980s, have presented new challenges for business, to which CSR has become a widespread response. Corporate political activity and CSR may overlap, for example where voluntary agreements are included in CSR programmes as an alternative to regulation(13).

CSR involves actions that go beyond mandatory requirements(47). For some businesses the value of the CSR activity may come from enhanced reputation and associations with changing consumer attitudes (48). In some industries, the overall increase in CSR reporting suggests that CSR activities have become necessary to simply gain acceptance of stakeholders(49).

Ethics and identity

A business' stance on ethics will influence the design and implementation of CSR initiatives. For some businesses, ethical issues are intrinsic to the identity of the business, for example, issues around animal testing were fundamental to the identity of The Body Shop(48); whereas for other businesses ethical behaviour may be an attractive source of differentiation, in order to generate a positive market response(50). For example, Coca Cola has been a sponsor of the Olympic Games, and is a sponsor to Street Games, a sports based charity for young people(51). A business' reputation is one of the most important intangible assets it has, and maintenance of a positive reputation has become increasingly important for business(52).

Potential CSR responses

CSR activity may include environmental initiatives (for example, initiatives improving energy and water efficiency, and reducing waste) – which in many cases also promote some tangible financial benefit to the business; and initiatives targeting employees, consumers (including consumer health) and other stakeholders. For example, the UK food retailer Marks and Spencer works with food banks and other local charities to redistribute surplus food as part of their CSR plan(53). The CSR initiatives are likely to be coordinated and integrated in order to achieve important objectives for the organisation(54). Thus the strategy may be based on the organisation's cost-benefit analysis, as opposed to necessarily being effective in social or environmental terms. CSR can yield benefits for the business (including reputation management, product differentiation, first mover advantages and pre-empting government regulation)(54); and can be deliberately designed to create competitive advantage for the business, with a planned approach, allocation of business resources, and a focus on specific stakeholders(48).

Businesses may adopt self-regulation or codes of conduct in their CSR strategies to manage the risks associated with criticisms from the public or NGOs, and avoid negative press; to manage the risk of industry-wide negative press; and to attempt to shape government or industry-wide regulations(13). Businesses may commission organisations to deliver CSR activities on their behalf, for example, the major food retailer Tesco contributes funding to The Sustainability Consortium at Manchester University(55). In addition, businesses can encourage industry-wide adoption of self-regulation, thus creating a level playing field in the market environment, for example voluntarily introducing labelling requirements(25).

Other examples of strategic CSR include philanthropy - for example, Nestle has taught children aged 5-14 about hygiene and nutrition in Brazil(56); and re-engineering of the value chain – for example the conversion of Starbucks and Costa coffee shops in the UK to Fairtrade coffee(54).

NGO-business partnerships may also be used as part of a CSR approach. For example, Unilever has formed partnerships with a number of NGOs, including World Wildlife Fund and the Global Nature Fund(56); Coca-Cola has partnered with health-focused NGO, The Global Fund(57); and Nestle has partnered with EcoLink in South Africa(56).

Adoption of self-regulation and co-regulation initiatives in health policy through CSR approaches has been widely criticised by public health actors, with critics claiming their development creates unavoidable conflicts of interest(58), and that the initiatives have limited evidence of effectiveness(59). In addition, government involvement in CSR initiatives may legitimise and promote corporate interests without addressing health needs(60).

Legal strategy

The final broad category of non-market activity is the development of a legal strategy. Some businesses have adopted sophisticated legal strategies that add value to their business through preservation of rights, protecting assets and sustaining competitive advantage(61). The legal strategies adopted will depend on the business' legal capabilities and resources, and can involve a variety of issues including contracts, patents, environmental issues, planning issues and free-trade disputes. Industry may also use Freedom of Information Act processes in an attempt to obtain primary data from university-based researchers, as in the case of Phillip Morris approaching the University of Stirling(62). As with other non-market strategy activity, the purpose of taking legal action is to add value to the business, and the decision to enter the legal arena is an investment decision(61).

A business may take legal action against local, regional or national governments, against international bodies (for example the European Union), or against competitors for a range of reasons, for example, to influence regulation, hinder the entry of new competitors, sue competitors for publicly criticising their business, harm rivals, or upon detection of illegal behaviour by a competitor(11).

Legal activities can be an important component of a non-market strategy, allowing a business to move an issue from the market or bureaucratic arena, to the courts. For example, in responding to the proposed ban on the sale of large serve sugar sweetened beverages in New York, the American Beverage Association sued New York City on a point of process, claiming that new legislation and a public consultation was required before the ban could take effect. By opening the issue up to public consultation, the industry was seeking to move the debate away from the regulators, and into the courts (where the industry's legal resources

could be applied) and the public arena, where the industry was well placed to manage the issue via its other non-market strategy activities. Tapping into strongly held values of freedom, choice and independence, the publicity campaign was very effective and created a public environment that was increasingly hostile to the proposed ban (which was subsequently not implemented)(6).

Collective and individual legal actions

Businesses can pursue collective legal actions, for example through a trade body, or they may act alone. Individual actions are undertaken by a single business to maintain or enhance its own reputation and competitive position(63). Collective actions are more likely to surface when the industry as a whole (as opposed to individual businesses) is targeted by an influential group, or threatened with sanctions, which prompt a challenge to the legitimacy of the industry in its entirety(63) (as in the case of the proposed ban on large serve soft drinks in New York described above). When collective actions are supported by the leading businesses in the industry they are even more likely to emerge(63). For example, the Scotch Whisky Association was joined by the European Wine Committee and the European Spirits Organisation in their petition for Judicial Review on Minimum Unit Pricing of alcohol in Scotland(64); an action that delayed its introduction by several years.

Conclusion

We have provided a primer on the key components of corporate non-market strategy and illustrated why taking such an ‘inside-out perspective’ may have utility in helping to better understand how corporate action may impact on public health. An appreciation of non-market strategy may help researchers systematically consider how the activities of businesses and industries have an impact on health by including a broader range of actors, considering the

connections between actors, exploring corporate activity over a longer timeframe, and recognising broad patterns of activity. For example, revealing connections between potential astro-turf organisations, bear-hug arrangements, networks and key individuals; and the public, private, bureaucratic and regulatory arenas in which these actors meet. Examples of activities that may be identified include: development of relationships and coalitions, lobbying, reciprocity, provision and use of information, commissioning of research, financial contributions, bribery and corruption, self-regulation, advertising and public relations campaigns, mobilising grassroots' campaigns, environmental initiatives, philanthropy, initiatives targeting employees/consumers, partnerships with NGOs and litigation.

Public health researchers may combine a non-market strategy lens with other approaches, for example systems thinking(65) to meet public health objectives. Use of non-market strategy as a framework for understanding business' activities may help researchers identify a wider range of activities, connections between activities, and patterns of activities, potentially leading to increased understanding of both the strategic response of a business or industry, and the evolution of an issue over time. In addition, understanding the relationship between a business' market and non-market strategy will assist with identifying the limitations of specific policy interventions designed to improve public health.

Research on the commercial determinants of health have typically focused on the specific actions of individual businesses or industries. However, the business literature suggests that it is important to take a wider perspective and recognise that corporate entities develop broad non-market strategies to manage political, cultural and social risks to their business. Non-market strategies may include corporate political activities (for example lobbying), Corporate Social Responsibility plans (for example, sponsorship), and legal actions against competitors

and governments. Businesses may work with others (for example through trade associations) or alone to implement their non-market strategies. Drawing on the business literature, we describe non-market strategy approaches, with examples relevant to public health. We propose the use of non-market strategy as a lens for exploring business activity in public health in order to help identify a broader range of actors, consider corporate activity over a longer timeframe, recognise connections between actors, and connect broad patterns of activity. Understanding the relationships between a commercial organisations market and non-market strategy will assist with the optimisation of policies designed to change industry behaviour in order to improve public health.

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Non-market strategy as a framework for exploring commercial involvement in health policy: a primer

Keywords: non-market strategy; public health, commercial interests; health policy

Abstract

This paper outlines the role of non-market strategy and its relevance to public health. Three broad categories of non-market activity are described: corporate political activity, Corporate Social Responsibility (CSR) and legal activity, with examples relevant to public health. The importance to public health researchers of considering business activity through a non-market lens has been outlined. Using a non-market strategy perspective can assist with understanding the commercial determinants of health and analysing the writing of the ‘rules of the game’.

14 Introduction

15 There is a long history of research exploring how the behaviour of corporate commercial
16 actors shapes public health, for example, uncovering the influence of the tobacco, alcohol and
17 food industries on the development and implementation of public health policy (1-3). While
18 research on the ‘commercial determinants of health’ has typically explored the specific
19 actions of individual businesses or industries, approaches exploring the broader strategies of
20 industry engagement with public policy have also been developed (1, 4). Such approaches
21 are insightful and have yielded important new knowledge in this area, particularly within
22 tobacco policy. However, current understandings of the specific actions, motivations and
23 activities of single businesses and industries could potentially be enhanced by engaging with
24 an analytical lens from the business literature that recasts these specific individual
25 commercial and industry behaviours as a broader set of industry-wide general strategies
26 whose overarching goal is to protect commercial interests(5). Within the business literature
27 the activities of corporate commercial actors are often conceptualised as an organised and
28 connected set of explicit actions known as ‘non-market strategy’. Development of a non-
29 market strategy is primarily located in and driven by commercial objectives. An appreciation
30 of corporate non-market strategy in a non-corporate setting can extend analyses of
31 commercial influences by offering a view from the perspective of the business or industry
32 itself – sometimes referred to as an ‘inside-out perspective’(6). Understanding commercial
33 non-market strategy in the setting of public health may help public health researchers and
34 policy-makers better identify, understand, and predict the actions of businesses and
35 industries, and their likely impacts on public health; and thus contribute to the development
36 of more effective public health policy.

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38 This paper draws on the business literature to provide a primer on how non-market strategy
39 approaches are developed, and identifies examples of implementation of non-market
40 strategies that are relevant to public health.
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42 **What is non-market strategy?**

43 Businesses operate in the ‘market’ through the development and maintenance of a range of
44 products and services, supported by activities including advertising, promotion, and pricing,
45 with the primary goal of making a profit. However, the ‘market’ does not exist in a vacuum
46 and is not a neutral entity, being constricted and influenced by political, cultural and social
47 forces, collectively referred to as the ‘non-market’(7, 8). This too requires development and
48 maintenance by the business.
49

50 The market and non-market environments are sufficiently different that businesses may
51 develop separate strategies to engage with both(7, 8). A non-market strategy is a deliberate
52 group of actions addressing political, cultural and social issues in the non-market
53 environment, with the ultimate purpose of improving the overall perceptions, operational
54 ability, and performance of the business, thus creating additional value(9). For example, a
55 non-market strategy might be developed to create market opportunities, defend against
56 criticism, influence government policy and reduce legislative threats(8, 10). Non-market
57 strategy recognises that issues in the non-market environment affect the profitability of a
58 business, and that these issues can be managed strategically(7, 11). Thus market strategies
59 position a business in the market place, whereas non-market strategies shape the market
60 place, for example through affecting regulation or public opinion. Both strategies operate in a
61 complementary way, and often simultaneously, in order to maintain and improve a

company's market position. While the 'rules of the game' are perhaps a given in the market, use of non-market strategy is about 'writing the rules of the game'(8).

Components of non-market strategy

Non-market strategy activities may include corporate political activity to access and influence politicians and regulators; Corporate Social Responsibility (CSR) initiatives to maintain or enhance the reputation of the business; and legal actions to maximise the competitive opportunities of the business. In practice, these three categories of activities are intertwined (12). For example, the line between corporate political activity and CSR is becoming increasingly blurred, with codes of practice, industry standards and voluntary agreements encapsulated within CSR programmes, as an alternative to regulation(13); these are then used as marketing tools. The three broad categories of non-market strategy activities are described in Table 1.

Using 'non-market strategy' as a conceptual lens may help public health researchers identify and understand the deliberate actions and strategies undertaken by individual business organisations and the wider industry, that are relevant to public health issues. We describe each of the three categories of a non-market strategy below.

Corporate Political Activity

While the primary focus of a business strategy is to increase sales to customers, a business will also be alert to the impact of government activity(14), and develop strategies for management of issues as they are proposed or arise. Government interventions in markets

may include the introduction of taxes, subsidies, regulation, trading schemes, and information campaigns that in turn may affect sales to customers(15).

Businesses may choose to comply with the policy or regulations, or free-ride on the non-market actions of other businesses; or they may seek to influence or restrict policy introduction directly through corporate political activity(16, 17). Corporate political activity is defined as any deliberate action intended to directly or indirectly influence government policy or process(18). Activity is typically aimed at government departments and stakeholders relevant to government; may be legal and ethical or not; and may include competitors, governments, interest groups and others(16). Organizations that are able to gain access to politicians or senior officials may be able to influence outcomes, and may have reduced uncertainty in their operating environment (through enhanced or privileged access to information)(14, 19). Access to government provides opportunity for businesses to provide policy makers with specific information about their preferences on specific issues in order to shape regulation or legislation, and may enable businesses to secure changes in public policy (or even maintain the status quo)(20). Businesses with privileged access to information about regulations, policies and emerging policy issues are better able to anticipate and/or shape future regulations and adjust their market strategies accordingly(19). It is widely accepted that businesses can influence policy processes to shape and control their competitive environment(18).

Businesses may adopt a range of corporate political activities that allow for organisational advocacy, including the establishment and maintenance of direct ties to politicians and senior officials(21). Examples of corporate political activities include lobbying, petitions, funding of research, provision of information, financial contributions (including campaign funding),

development of personal long-term relationships with senior officials and politicians,
revolving doors between the public and private sectors, and bribery and corruption(16, 21).
Businesses may also adopt strategies that include self-regulation, public advertising
campaigns, and mobilization of grassroots campaigns in order to influence policy(22).
Strategies to manage information and the business' reputation; and the formation of coalitions
with allies that seek similar policy outcomes, including allies beyond their business-related
groups, may also be used to support corporate political activity(22). For example, corporate
political activities used by the alcohol industry in the UK include misrepresentation of
scientific evidence(23), corporate lobbying (primarily through direct and long-term
relationships with policymakers)(24) and media campaigns(24). Similarly, corporate political
activity used by the Australian alcohol industry in response to the requirement for health
warnings on labels included lobbying, financial contributions to political parties, pre-emptive
introduction of voluntary, but lesser, labelling initiatives, and questioning of the evidence
base for health warnings(25).

Implementation of corporate political activity

Design and implementation of the political component of non-market strategy is undertaken
at a high level within businesses(19), with directors responsible for external affairs likely to
be at the core of the design of the political strategy(26). The individual responsible for
external affairs is likely to be embedded in a network of relationships across trade
associations and lobbying companies. Along with members of the Board of Directors they
would seek to form links with individuals in regulatory bodies, government departments, and
politicians(17).

Lobbying requires a set of specific and identifiable processes to leverage political resources(26). Businesses may adopt an internal approach to lobbying, using in-house expertise, and/or may use trade associations and contract lobbyists(26). The design of the lobbying requires focussed management effort on how to affect public policy, for example which politicians to target and when, which network relationships to invest in and when(27), and whether to adopt a public or more behind-the-scenes approach(28). Within a business, the Board of Directors is likely to provide access to resources to support political actions, and access to information and opportunities. The Board will also make decisions on, for example, the individuals that will be targets for relationships for each of the executives(26). Each lobbying activity is likely to require concerted effort from the highest levels of the business. For example, Wal-Mart had the President and CEO of its International Division attend a meeting with then UK Prime Minister, Tony Blair, and others, arranged by the Liberal Democrat peer Lord Jacobs, at which the potential for Wal-Mart to enter the UK was discussed(28).

Businesses that join networks, or enter into simple direct relationships with political actors, often coordinate their political activities (for example, campaign funding, direct lobbying and working with a trade association); they often integrate this political activity with the rest of their non-market strategy (for example, an industry-wide corporate social responsibility initiative or legal action); and the market and non-market strategies are likely to be designed to fit together(17). The circumstances, relationships and interactions are dynamic(17). Multi-national enterprises are faced with even greater complexity, as they are likely to be politically active in a number of political arenas simultaneously(16, 17, 29).

Influencers and drivers of corporate political activity

Corporate political activity can be affected by the organisational characteristics of the business, features of the markets and industries in which they operate, and aspects of the policy environment(17). Organisational characteristics that may affect political activity may include ownership structure(26), the history of the business(30), the power of the business(18), and its relationship with shareholders(31). The nature of the relationships of employees with national and local politicians and officials, legal counsel and interest groups will also influence the business' approach to political activity(26). Frequently changing rules and lack of enforcement are also conducive to corporate political action, with firms taking more political action in less stable political environments(18). In addition, businesses have more incentive to become politically active when an industry is highly regulated (18). For example, tobacco industry efforts to influence marketing regulations have included lobbying and the provision or manipulation of evidence, constituency building to give the impression of wide support, proposing alternative policies, use of the legal system, and offering direct or indirect financial incentives(1).

Constituency building

Businesses may seek to create and maintain multi-stakeholder networks to support political activity(32) forming alliances with their competitors, suppliers, trade associations, trades unions, and also with academics, the media and NGOs. An effective stakeholder network will populate the information environment with a variety of messages, consistent with the interests of the business(3). Components may also include so-called 'astroturf' organisations, which appear to be genuine grassroots citizen groups, but have in fact been established by the business (or industry) for particular policy purposes(3); and 'bear-hug' arrangements, which involve paying a group to change its lobbying activity and to lobby on their behalf(33). For example, industry funded The Center for Consumer Freedom promotes personal

responsibility and consumer choice(34); and The Obesity Awareness and Solutions Trust caused a parliamentary inquiry into obesity in the United Kingdom, while failing to declare financial links to the weight-loss industry(35).

University-based researchers and the media can be important vehicles for connecting with popular opinion. Businesses may commission and report their own research; and seek to influence the media directly, for example through media ownership, advertising (and the threat of withdrawal of spend), public relations and spin(3). Astroturf and other business-funded organisations may be particularly effective with the media, able to attack critics of businesses while appearing to be independent(3). For example, the TaxPayers' Alliance, which does not provide details of its funding but has right-wing political and business ties(36), has campaigned against the "sugar tax" and other health initiatives in the UK(37). While astroturf organisations may amplify ideas, think tanks seed new policy ideas (38). Presenting themselves as independent organisations that contribute to policy through conducting research and developing ideas, industry actors can provide important sources of funding that may call their independence into question. For example, Demos was engaged by SABMiller to produce reports on alcohol consumption, which were heavily promoted among policy makers at crucial moments during the development of the Government's alcohol strategy(39), and the Institute of Economic Affairs, which has received funding from the tobacco industry, publicly lobbies against the plain packaging of cigarettes(40).

Industry activities undertaken to influence policy are likely to be undertaken in secrecy and data that might shed light on such activity would be deemed commercially sensitive and unlikely to be available. However, a corporate political activity lens can be usefully applied to some forms of publicly available data (for example, news articles and trade press(41); industry websites and reports(42), social media accounts(43), and submissions to public

consultations(23); and annual returns of political parties, websites of government departments and agencies(44), minutes of meetings, and Freedom of Information requests(28)). Use of these forms of public data with such a lens may offer the opportunity to identify, describe and analyse corporate actions through the aggregate analysis of these sources(4, 45, 46). Aggregate analysis moves beyond the analysis of specific individual tactics, to identify broader patterns of individual actions that operate synergistically, linked actions across corporations, other industry-supporting organisations and sectors, and broader sector strategy.

Corporate Social Responsibility

The second broad category of ‘non-market strategy’ action is Corporate Social Responsibility (CSR). The CSR movement can be traced back to the employee wellbeing initiatives of large private companies during and after the Industrial Revolution of the 1880s. More recently, social and environmental movements, initially emerging during the 1970s and 1980s, have presented new challenges for business, to which CSR has become a widespread response. Corporate political activity and CSR may overlap, for example where voluntary agreements are included in CSR programmes as an alternative to regulation(13).

CSR involves actions that go beyond mandatory requirements(47). For some businesses the value of the CSR activity may come from enhanced reputation and associations with changing consumer attitudes (48). In some industries, the overall increase in CSR reporting suggests that CSR activities have become necessary to simply gain acceptance of stakeholders(49).

Ethics and identity

A business' stance on ethics will influence the design and implementation of CSR initiatives. For some businesses, ethical issues are intrinsic to the identity of the business, for example, issues around animal testing were fundamental to the identity of The Body Shop(48); whereas for other businesses ethical behaviour may be an attractive source of differentiation, in order to generate a positive market response(50). For example, Coca Cola has been a sponsor of the Olympic Games, and is a sponsor to Street Games, a sports based charity for young people(51). A business' reputation is one of the most important intangible assets it has, and maintenance of a positive reputation has become increasingly important for business(52).

Potential CSR responses

CSR activity may include environmental initiatives (for example, initiatives improving energy and water efficiency, and reducing waste) – which in many cases also promote some tangible financial benefit to the business; and initiatives targeting employees, consumers (including consumer health) and other stakeholders. For example, the UK food retailer Marks and Spencer works with food banks and other local charities to redistribute surplus food as part of their CSR plan(53). The CSR initiatives are likely to be coordinated and integrated in order to achieve important objectives for the organisation(54). Thus the strategy may be based on the organisation's cost-benefit analysis, as opposed to necessarily being effective in social or environmental terms. CSR can yield benefits for the business (including reputation management, product differentiation, first mover advantages and pre-empting government regulation)(54); and can be deliberately designed to create competitive advantage for the business, with a planned approach, allocation of business resources, and a focus on specific stakeholders(48).

Businesses may adopt self-regulation or codes of conduct in their CSR strategies to manage the risks associated with criticisms from the public or NGOs, and avoid negative press; to manage the risk of industry-wide negative press; and to attempt to shape government or industry-wide regulations(13). Businesses may commission organisations to deliver CSR activities on their behalf, for example, the major food retailer Tesco contributes funding to The Sustainability Consortium at Manchester University(55). In addition, businesses can encourage industry-wide adoption of self-regulation, thus creating a level playing field in the market environment, for example voluntarily introducing labelling requirements(25).

Other examples of strategic CSR include philanthropy - for example, Nestle has taught children aged 5-14 about hygiene and nutrition in Brazil(56); and re-engineering of the value chain – for example the conversion of Starbucks and Costa coffee shops in the UK to Fairtrade coffee(54).

NGO-business partnerships may also be used as part of a CSR approach. For example, Unilever has formed partnerships with a number of NGOs, including World Wildlife Fund and the Global Nature Fund(56); Coca-Cola has partnered with health-focused NGO, The Global Fund(57); and Nestle has partnered with EcoLink in South Africa(56).

Adoption of self-regulation and co-regulation initiatives in health policy through CSR approaches has been widely criticised by public health actors, with critics claiming their development creates unavoidable conflicts of interest(58), and that the initiatives have limited evidence of effectiveness(59). In addition, government involvement in CSR initiatives may legitimise and promote corporate interests without addressing health needs(60).

Legal strategy

The final broad category of non-market activity is the development of a legal strategy. Some businesses have adopted sophisticated legal strategies that add value to their business through preservation of rights, protecting assets and sustaining competitive advantage(61). The legal strategies adopted will depend on the business' legal capabilities and resources, and can involve a variety of issues including contracts, patents, environmental issues, planning issues and free-trade disputes. Industry may also use Freedom of Information Act processes in an attempt to obtain primary data from university-based researchers, as in the case of Phillip Morris approaching the University of Stirling(62). As with other non-market strategy activity, the purpose of taking legal action is to add value to the business, and the decision to enter the legal arena is an investment decision(61).

A business may take legal action against local, regional or national governments, against international bodies (for example the European Union), or against competitors for a range of reasons, for example, to influence regulation, hinder the entry of new competitors, sue competitors for publicly criticising their business, harm rivals, or upon detection of illegal behaviour by a competitor(11).

Legal activities can be an important component of a non-market strategy, allowing a business to move an issue from the market or bureaucratic arena, to the courts. For example, in responding to the proposed ban on the sale of large serve sugar sweetened beverages in New York, the American Beverage Association sued New York City on a point of process, claiming that new legislation and a public consultation was required before the ban could take effect. By opening the issue up to public consultation, the industry was seeking to move the debate away from the regulators, and into the courts (where the industry's legal resources

could be applied) and the public arena, where the industry was well placed to manage the issue via its other non-market strategy activities. Tapping into strongly held values of freedom, choice and independence, the publicity campaign was very effective and created a public environment that was increasingly hostile to the proposed ban (which was subsequently not implemented)(6).

Collective and individual legal actions

Businesses can pursue collective legal actions, for example through a trade body, or they may act alone. Individual actions are undertaken by a single business to maintain or enhance its own reputation and competitive position(63). Collective actions are more likely to surface when the industry as a whole (as opposed to individual businesses) is targeted by an influential group, or threatened with sanctions, which prompt a challenge to the legitimacy of the industry in its entirety(63) (as in the case of the proposed ban on large serve soft drinks in New York described above). When collective actions are supported by the leading businesses in the industry they are even more likely to emerge(63). For example, the Scotch Whisky Association was joined by the European Wine Committee and the European Spirits Organisation in their petition for Judicial Review on Minimum Unit Pricing of alcohol in Scotland(64); an action that delayed its introduction by several years.

Conclusion

We have provided a primer on the key components of corporate non-market strategy and illustrated why taking such an ‘inside-out perspective’ may have utility in helping to better understand how corporate action may impact on public health. An appreciation of non-market strategy may help researchers systematically consider how the activities of businesses and industries have an impact on health by including a broader range of actors, considering the

connections between actors, exploring corporate activity over a longer timeframe, and recognising broad patterns of activity. For example, revealing connections between potential astro-turf organisations, bear-hug arrangements, networks and key individuals; and the public, private, bureaucratic and regulatory arenas in which these actors meet. Examples of activities that may be identified include: development of relationships and coalitions, lobbying, reciprocity, provision and use of information, commissioning of research, financial contributions, bribery and corruption, self-regulation, advertising and public relations campaigns, mobilising grassroots' campaigns, environmental initiatives, philanthropy, initiatives targeting employees/consumers, partnerships with NGOs and litigation.

Public health researchers may combine a non-market strategy lens with other approaches, for example systems thinking(65) to meet public health objectives. Use of non-market strategy as a framework for understanding business' activities may help researchers identify a wider range of activities, connections between activities, and patterns of activities, potentially leading to increased understanding of both the strategic response of a business or industry, and the evolution of an issue over time. In addition, understanding the relationship between a business' market and non-market strategy will assist with identifying the limitations of specific policy interventions designed to improve public health.

Research on the commercial determinants of health have typically focused on the specific actions of individual businesses or industries. However, the business literature suggests that it is important to take a wider perspective and recognise that corporate entities develop broad non-market strategies to manage political, cultural and social risks to their business. Non-market strategies may include corporate political activities (for example lobbying), Corporate Social Responsibility plans (for example, sponsorship), and legal actions against competitors

and governments. Businesses may work with others (for example through trade associations) or alone to implement their non-market strategies. Drawing on the business literature, we describe non-market strategy approaches, with examples relevant to public health. We propose the use of non-market strategy as a lens for exploring business activity in public health in order to help identify a broader range of actors, consider corporate activity over a longer timeframe, recognise connections between actors, and connect broad patterns of activity. Understanding the relationships between a commercial organisations market and non-market strategy will assist with the optimisation of policies designed to change industry behaviour in order to improve public health.

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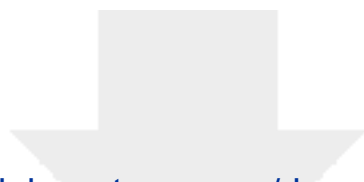
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Table 1: Categories of Non-market activities

Category	Description	Examples
Corporate Political Activity	Seeks to gain access to, and understanding from, politicians and regulators, and thus influence their behaviour(11)	Lobbying, petitions, funding of research, provision of information, financial contributions and sponsorship (including campaign funding), development of personal long term relationships, and bribery and corruption(14, 15).
Corporate Social Responsibility (CSR)	Focussed more on stakeholders than government, CSR recognises the importance of NGOs and public opinion, and the maintenance or enhancement of the reputation of the business. Some businesses are able to use CSR measures in their marketing(10)	Philanthropy, sponsorship, secondments, partnership arrangements with NGOs, environmental initiatives (e.g. energy and water efficiency), and initiatives aligned with customer health (e.g. reformulation of products and labelling).
Legal Actions	Generally aimed at potential rivals and competitors, at	Suing competitors for publicly criticising their

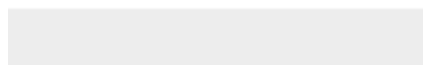
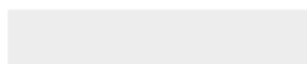
	governments, or at maximising competitive opportunities (for example through development of innovative patenting arrangements). Can be collective as well as individual business activity.	business, alleged patent infringement, actions through the World Trade Organisation, or upon detection of illegal behaviour by a competitor(11). Businesses may also fund research to support legal action and initiate collective legal actions to challenge regulation or legislation.
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CReDiT author statement

Elizabeth Eastmure: Conceptualisation, Writing – original draft preparation

Steven Cummins: Supervision, Writing – review and editing

Leigh Sparks: Supervision, Writing – review and editing